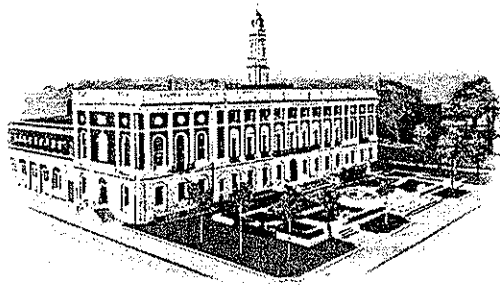


MICHAEL J. JARJURA
MAYOR



JOSEPH A. GEARY
DIRECTOR OF OPERATIONS

OFFICE OF THE MAYOR
THE CITY OF WATERBURY
CONNECTICUT

March 3, 2011

Finance, Revenue and Bonding Committee
Room 3700
Legislative Office Building
Hartford, CT 06106

Dear Senator Daily, Representative Widlitz, esteemed members of the Finance Revenue and Bonding committee:

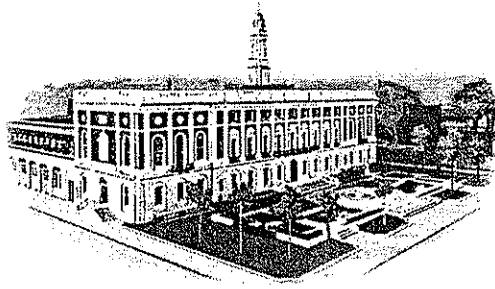
I would like to register on the record my deep concern and opposition to the provisions of House Bill 6388 that would eliminate the manufacturing machinery and equipment incentive grant.

As you may know, Waterbury has a strong history as one of the pre-eminent centers of manufacturing and industry in the world. The brass mills that built Waterbury helped power the economy of the state of Connecticut for a century. What you may not know is that Waterbury continues to be an innovator and a force in the precision and niche manufacturing sector. We are home to more than a dozen specialty wire, tool & die companies providing parts and material for the defense department and the automotive industry.

Manufacturing accounts for over 14 percent of the city's labor market and nearly six percent of all its business. Those precision tool & die establishments account for \$97 million of the city's taxable grand list.

The state reimbursement on that exemption represents about \$2.7 million in projected revenue for the City of Waterbury in the next fiscal year. That PILOT represents more than half a mill in taxation.

MICHAEL J. JARJURA
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Like every other municipality and government entity in the nation, Waterbury has not been immune to the global recession and implosion of the real estate market. Fortunately, Waterbury has not been put in the position of having to endure major service recissions that would impact the safety, welfare or quality of life of its citizens. However, the loss of the PILOT funds associated with this program would jeopardize the City of Waterbury's ability to continue to provide much needed – and well deserved – services to its residents.

The state's decision to exempt manufacturing equipment from taxation was a good one in terms of trying to keep Connecticut competitive in business and industry. The state payment in lieu of taxes on this exemption also has served large and small municipalities well as they attempt to grow or maintain their grand lists and alleviate the tax burden on residential homeowners.

For the City of Waterbury, the reimbursement on manufacturing equipment has been an important hedge against mill rate increases for our residents and taxpayers and I urge this committee to remove those provisions that would eliminate the reimbursement.

The amount to be gained by cancelling this important grant to municipalities will hardly make a dent in the state's fiscal problems, but it most certainly will shift the burden to the beleaguered taxpayers of the state's municipalities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael J. Jarjura', written over the printed name.

Mayor Michael J. Jarjura
City of Waterbury